## WASHINGTON STATE Office of Trade & Economic Development

June 29, 2001

**Bonny Overton** 

USDOE - Office of Energy Efficiency and Renewable Energy, EE 3.1

1000 Independence Avenue, SW Washington, D. C. 20585

Sent Via Email to: EERENEP.comments@ee.doe.gov

SUBJECT: WASHINGTON STATE ENERGY POLICY DIVISION, OFFICE OF TRADE AND

ECONOMIC DEVELOPMENT COMMENTS PRESENTED AT THE U.S. DEPARTMENT OF ENERGY'S OFFICE OF ENERGY EFFICIENCY AND

RENEWABLE ENERGY PUBLIC MEETING

Dear Ms. Overton:

The Energy Policy Division of the Washington State Office of Trade and Economic Development is submitting these comments. The Energy Policy Division serves as Washington State's energy office and is responsible for administration of most of the energy efficiency and renewable energy funding which the U.S. Department of Energy provides to the state of Washington.

We are pleased to have this opportunity to discuss the value of the U.S. DOE energy efficiency and renewable energy programs to the State of Washington. Washington is unique among the states in that we are the most dependant on renewable resources for our supply of electricity.

Our comments will focus on two specific program areas: 1) the State Energy Program (SEP) and 2) the Weatherization Assistance Program (WAP). The State of Washington has found both of these programs to be an excellent example of the how state and federal partnerships can work effectively together to produce substantial achievements at minimum cost.

DOE aptly describes the SEP program mission as supporting the "States' effective, flexible capacity to promote the use of energy efficiency and renewable energy strategies for meeting energy needs in both the near and long-term future. " "Flexible capacity" certainly describes what Washington State has needed to deal with six months of energy crisis.

Federal funding under the State Energy Program (SEP) has been critically important to the state this year. Due to a variety of factors, we have had to deal with the highest wholesale electricity and natural gas prices in history A near record drought has raised very real concerns about adequacy of supply, especially during the winter. These events have meant that public and policymaker interest in energy

issues is greater than it has been in perhaps two decades. Much of this interest has focused on ways to encourage energy conservation and increase use of renewable energy sources.

The SEP program is a key resource for the state in being able to respond to precisely these kinds of situations. SEP "seed" funds have helped leverage state funds and have allowed us to maintain policy and programmatic capabilities during periods when interest in energy issues has ebbed. One prime example of this capability maintenance is the WSU Energy library. The Energy library is the largest single repository of energy materials in the Northwest. During the last year, it has responded to more than 1,500 requests for information, more than a 50% increase compared to prior years. It is unlikely that the state would have been able to maintain the library without continuing SEP support.

Another key feature of the SEP program its inherent flexibility. Due to this flexibility Washington has been able to target funds to areas that are of particular important to the state and region e.g. policy development, information dissemination, and program support. Overall the SEP program is a modest investment that provides substantial return to both the states and the federal government.

## We have used SEP funds for

- Public **outreach** (economic development councils, citizen groups, local governments, etc.)
- Participation in state and regional **planning** for energy emergencies, transmission, energy efficiency and renewables development. This allows us to have a strong state voice in the critical discussions on the development of a regional transmission organization.
- Assessment of impacts of rising energy prices, roles of renewables in new electricity supply
- Development of renewable and conservation legislation
- Promotion of the energy efficiency and renewable energy industry as major economic factors in WA economy. Our research shows that at \$1 billion/ year, the energy efficiency and renewable energy industry is comparable to the wholesale apple industry.

We also believe that The Weatherization Assistance Program is accomplishing its mission "to maximize the number of low-income households receiving cost-effective, energy efficient improvements while ensuring the health and safety of people served."

As energy prices continue to rise, the need for lasting solutions such as weatherization become more critical. It is DOE's Weatherization Assistance Program that has created and helped sustain the infrastructure necessary to leverage additional resources--public and private--for low-income weatherization. Because of DOE funding we have been able to weatherize the homes of over 20,000 low-income households during the past **10 years**, reducing home heating energy use and costs by 20% on average.

In addition to acknowledging the importance of DOE funding to reduce energy use and costs for Washington's low-income households, we want to applaud DOE's Weatherization Assistance Program for the technical support it has provided. It is through that support that we have been able to fine-tune our program so that the most effective tools and measures are employed to improve the energy efficiency of each home.

As we mentioned at the start, the SEP and WAP programs are partnerships between State and Federal

governments. We would like to underscore the partnership by recognizing the value of the U.S. DOE regional offices. We have found the Seattle support office staff to be very supportive of the unique needs of our state and urge DOE to maintain and wherever possible, enhance the role of regional offices in supporting state activities.

We hope you find these comments useful as you review these important programs. We hope you will use this information to set and monitor better performance measures for your programs so they will serve our citizens even better in the future. We appreciate the opportunity to comment and look forward to providing you with any other information you may require.

Sincerely,

Tony Usibelli Sr. Energy Policy Specialist Energy Policy Division